

Cash Flow Statements

FOR THE YEAR ENDED 31ST DECEMBER 2003
(Prepared in accordance with PRC Accounting Regulations)

	Group 2003 <i>Rmb'000</i>	Company 2003 <i>Rmb'000</i>
Cash flows from operating activities		
Cash inflows:		
Cash received from rendering of services	536,645	535,794
Other cash received relating to operating activities	9,087	8,285
	<u>545,732</u>	<u>544,079</u>
Sub-total of cash inflows		
Cash outflows:		
Cash paid for goods and services	(61,945)	(61,520)
Cash paid to and on behalf of employees	(33,855)	(32,009)
Taxes paid	(147,572)	(147,569)
Other cash paid relating to operating activities	(22,035)	(23,769)
	<u>(265,407)</u>	<u>(264,867)</u>
Sub-total of cash outflows		
Net cash flows from operating activities		
	<u>280,325</u>	<u>279,212</u>
Cash flows from investing activities		
Cash inflows:		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	32,309	32,309
Other cash received from investing activities	993	930
	<u>33,302</u>	<u>33,239</u>
Sub-total of cash inflows		
Cash outflows:		
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(466,412)	(406,512)
Cash paid to invest in long-term equity investments other than subsidiary companies	(9,000)	(9,000)
Cash paid to invest in a subsidiary company	—	(44,000)
	<u>(475,412)</u>	<u>(459,512)</u>
Sub-total of cash outflows		
Net cash flows from investing activities		
	<u>(442,110)</u>	<u>(426,273)</u>
Cash flows from financing activities		
Cash inflows:		
Cash received from borrowings	250,000	175,000
Cash outflows:		
Cash repayments of amounts borrowed	(30,000)	—
Cash payments for distribution of dividends or profits	(113,620)	(113,620)
Cash payments for interest expenses	(32,450)	(29,763)
	<u>(176,070)</u>	<u>(143,383)</u>
Sub-total of cash outflows		
Net cash flows from financing activities		
	<u>73,930</u>	<u>31,617</u>
Net decrease in cash		
	<u>(87,855)</u>	<u>(115,444)</u>

The accompanying notes form an integral part of these accounts.

Ma Baiyu
Company Representative

An Pindong
Chief Accountant

Shi Zhenjuan
Accounts Preparer

Cash Flow Statements (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER 2003

(Prepared in accordance with PRC Accounting Regulations)

Supplementary Information	Group 2003 <i>Rmb'000</i>	Company 2003 <i>Rmb'000</i>
(i) Reconciliation of net profit to net cash flows from operating activities		
Net profit	276,892	276,892
Add/(Less):		
Minority interests	(333)	—
Depreciation and amortisation of fixed assets	52,619	52,279
Loss on disposal of fixed assets	498	498
Interest expense – net	19,342	19,342
Loss on investments	—	2,996
Decrease in inventories	317	317
Increase in operating receivables	(82,671)	(85,968)
Increase in operating payables	13,661	12,856
	<u>280,325</u>	<u>279,212</u>
Net cash flows from operating activities	<u>280,325</u>	<u>279,212</u>
(ii) Net decrease in cash		
Cash at end of the year	450,074	400,063
Less: Cash at beginning of the year	(537,929)	(515,507)
	<u>(87,855)</u>	<u>(115,444)</u>
Net decrease in cash	<u>(87,855)</u>	<u>(115,444)</u>

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Company Representative

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Chief Accountant

Shi Zhenjuan
Accounts Preparer